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29 AUG 1967

MEMORANDUM FOR: The President

SUBJECT : Effects of the Intensified Air War Against North Vietnam

SUMMARY

The intensified air war against North Vietnam has shown increased effectiveness in several ways: (1) the cost of bomb damage in the past four months almost equals the total damage inflicted in 1966; (2) most of modern industry is now at a standstill, thus neutralizing a decade of economic growth; (3) the rail transport system is now coping with its most serious disruption to date; (4) the port at Haiphong is confronted with a growing resupply burden; and (5) the regime has been forced to adopt a more rigid evacuation program, now involving essential as well as non-essential activities and personnel. At the same time, however, Hanoi continues to meet the needs of the Communists in South Vietnam and essential military and economic traffic continues to move.

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1. Since March 1967 over 10,000 attack sorties per month have been flown against targets in North Vietnam, compared to 6,500 per month during the same period in 1966. An increased bombing is being given to the more lucrative targets in the north. During January-March 1967, less than 10 percent of all attack sorties were flown in Route Package VI; in July the share had increased to 33 percent. Since March, 78 important targets have been struck for the first time, including 26 rail sites and 20 targets within 10-mile radii of Hanoi and Haiphong.

2. The intensified air war has increased North Vietnam's economic losses and compounded management and logistical problems. The direct cost of damage to economic and military targets during March-July 1967--about \$110 million--was almost equal to the total damage inflicted in 1966.

3. Damage to electric power generating facilities has been particularly severe and brought much of the country's modern industry to a standstill. All of the central generating plants in the main Hanoi-Haiphong

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network, with the exception of the Hanoi plant itself, have been out of service since early June.

4. The country's only cement plant and its only metallurgical plant have ceased production because of bomb damage and the loss of electric power supply. One of the two major textile plants has been heavily damaged; production in the small fertilizer and chemical industry has been curtailed and paper production has been reduced by 50 percent. Thus, many achievements of a decade of industrial growth have been neutralized and, in some cases, lost.

5. During recent weeks the main thrust of the air attack has been against key bridges and ICF's in the Hanoi area. The vital rail lines to China and Haiphong were particularly hard hit. Attacks on the Bunker Bridge and the rail bypass over the Canal des Rapides have effectively limited through rail traffic from China to a rail ferry bypass around the Bunker Bridge. This bypass has been seeded with magnetic influence bombs. The combination of these measures has resulted in the most serious disruption

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to the rail system since the start of the bombing. Although essential military and economic traffic continues to move, this effort is taxing the system heavily and is done with far more difficulty and cost than previously.

6. Much of the resupply burden is being handled at the port of Haiphong where port congestion has increased significantly. The time required to unload ships has doubled in the past few months. These delays result from the sharp increase in imports since March, reflecting in large part the material requirements imposed by the air attack and the use of the Haiphong sanctuary area for mass storage of supplies.

7. [REDACTED] the evacuation program is now being enforced more rigidly. A recent order reportedly now in effect repeats earlier directives calling for the removal of children and non-essential personnel as well as the personnel of all small industries and handicraft cooperatives, merchants, and their families. More significantly, the new order also calls for some large state

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enterprises and ministries to begin evacuation. Thus, there is now a much greater emphasis on evacuation of essential as well as non-essential activities from the Hanoi area, with all its attendant negative effects on productivity and public morale.

8. Despite the increasing hardships, economic losses and mounting problems in management and logistics caused by the air war, Hanoi continues to meet its own needs and to support its aggression in South Vietnam. Essential military and economic traffic continues to move.

Richard Helms
Director

CER: [REDACTED]
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Concur:

/s/ R. J. Smith

R. J. SMITH
Deputy Director for Intelligence

29 Aug 67
Date

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